

Message Text

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63

ACTION EUR-12

INFO OCT-01 ISO-00 IO-10 CIAE-00 DODE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15

AID-05 COME-00 EB-07 FRB-01 TRSE-00 XMB-04 OPIC-06

CIEP-02 LAB-04 SIL-01 OMB-01 AGR-10 STR-04 CEA-01

HEW-06 FEA-01 FPC-01 INT-05 AF-06 ARA-10 EA-09 NEA-10

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R 041511Z SEP 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 7426

INFO USMISSION GENEVA

USMISSION OECD PARIS

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UNCLAS OTTAWA 3320

EO 11652 NA

TAGS EAID CA

SUBJ NEW CANADIAN AID STRATEGY ANNOUNCED

REF STATE 207669

1. ON SEPTEMBER 2 EXTERNAL AFFAIRS MINISTER MACEACHEN INVITED CHIEFS OF MISSION IN OTTAWA TO BRIEFING ON GOC'S NEW "STRATEGY FOR INTERNATIONAL DEVELOPMENT COOPERATION, 1975-80" WHICH WAS MADE PUBLIC SAME DAY. I ATTENDED, ACCOMPANIED BY ECON COUNSELOR.

2. MACEACHEN OPENED PROCEEDINGS BY NOTING THAT BRIEFING MEETING OF THIS TYPE WAS VERY UNUSUAL EVENT IN OTTAWA. GOC HAD DECIDED TO MAKE NEW STRATEGY PUBLIC COINCIDENT WITH UNGA SEVENTH SPECIAL SESSION AND TO CONVENE MEETING OF EMBASSY REPS TO EMPHASIZE PRIORITY GOC ATTACHES TO INTERNATIONAL DEVELOPMENT POLICY.

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3. MACEACHEN SAID HE WOULD USE RESTRAINT IN CHARACTERIZING NEW

STRATEGY. IT IS NOT "RADICAL NEW DEPARTURE" SINCE, GIVEN GOC'S AID RECORD, NO RADICAL DEPARTURE NEEDED. IT REAFFIRMS MANY OF PREVIOUS POLICIES: GOC REMAINS COMMITTED TO ACHIEVING 0.7 PERCENT OF GNP AID TARGET THROUGH GRADUAL INCREASE IN ANNUAL APPROPRIATIONS; AID PROGRAM WILL RETAIN HIGH DEGREE OF CONCESSIONALITY (AT A TIME WHEN SOME OTHER DONORS ARE SHIFTING TOWARD MORE COMMERCIAL TERMS); GOC CONTINUES TO PLEDGE SUPPORT FOR REGIONAL COOPERATION AND R AND D ON DEVELOPMENT ISSUES; AND GOC WILL ADHERE TO AND INCREASE FOOD AID COMMITMENTS AND BEAR THE HIGHER COMMERCIAL COSTS. HOWEVER, STRATEGY IS DESIGNED TO PUT AID POLICY INTO WIDER PERSPECTIVE THAN IN PAST AND, MACEACHEN EMPHASIZED, REFLECTS RESULTS OF "SOUL SEARCHING" POLICY REVIEW AT TIME WHEN CANADIAN ECONOMY BESET BY PROBLEMS OF RECESSION, INFLATION, HIGHER ENERGY COSTS, ETC.

4. MACEACHEN SAID HE WANTED TO STRESS TWO THEMES OF NEW STRATEGY: MULTIDIMENSIONALITY AND FLEXIBILITY.

A. MULTIDIMENSIONALITY. GOC INTENDED TO REDUCE "SPLENDID ISOLATION" OF CIDA'S AID PROGRAM FROM OTHER ASPECTS OF INTERNATIONAL ECONOMIC POLICY. IT WOULD CONTINUE TO ATTACH HIGH PRIORITY TO QUALITY AND QUANTITY OF AID BUT WOULD ENDEAVOR TO PUT "DEVELOPMENT CONTENT" INTO OTHER POLICY AREAS SUCH AS TRADE AND MONETARY REFORM. HE CAUTIONED THAT CANADIAN INTERESTS WOULD CONTINUE TO LOOM LARGE BUT THERE WOULD BE SUBSTANTIAL SCOPE FOR RECONCILIATION OF CANADIAN AND LDC INTERESTS IF LDCS WILLING TO COOPERATE, BE FLEXIBLE, AND ENTER INTO JOINT DEVELOPMENT PLANNING DIALOGUE.

B. FLEXIBILITY. LDCS HAVE ACHIEVED APPARENT SOLIDARITY IN INTERNATIONAL FORUMS BUT THERE ARE GLARING DISCREPANCIES AMONG THEM IN TERMS OF DEVELOPMENT NEEDS. GOC WILL CONCENTRATE EFFORTS ON LIMITED NUMBER OF COUNTRIES, ESPECIALLY POOREST, AND WILL TAILOR DEVELOPMENT PROGRAMS TO SPECIFIC NEEDS OF RECIPIENT COUNTRIES. FOCUS WILL BE ON "NO FRILLS" AREAS SUCH AS FOOD PRODUCTION, RURAL DEVELOPMENT, BASIC EDUCATION, PUBLIC HEALTH, DEMOGRAPHY, AND SHELTER. ALTHOUGH CONCENTRATING EFFORTS IN FUTURE, GOC WILL HONOR OUTSTANDING COMMITMENTS; THERE WILL BE NO "BRUTAL" CUT-OFFS.

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5. GERIN-LAJOIE, PRESIDENT OF CIDA, SUPPLEMENTED MACEACHEN'S COMMENTS BY EMPHASIZING (A) THAT GOC HAD LISTENED ATTENTIVELY TO WORDS OF THIRD WORLD, (B) NEW STRATEGY IS "GLOBAL AND ORGANIC", A SORT OF "MINI-MARSHALL PLAN APPROACH", (C) THERE IS NO "MAGIC FORMULA" AND GOC INTENDS TO ADAPT ITS APPROACH CONTINUOUSLY TO EACH INDIVIDUAL SITUATION, AND (D)

SPIRIT OF ASSOCIATION AMONG PARTNERS THAT INSPIRED
PEARSON REPORT MUST BECOME REALITY IF PROGRESS TO
BE MADE.

6. MACEACHEN CLOSED BY INVITING "PARTNERS" TO STUDY
NEW CANADIAN STRATEGY AND TO DISCUSS IT WITH EXTAFF
AND CIDA OFFICIALS. HE SAID GOC WOULD ALSO HOPE TO
CONSULT WITH OTHER DONORS ABOUT STRATEGY AND
COORDINATION.

7. I TOOK ADVANTAGE OF OCCASION TO HAND MEACEACHEN
SUMMARY OF SECRETARY KISSINGER'S SPEECH TO UNGA
SEVENTH SPECIAL SESSION DRAWN FROM STATE 207669.
MACEACHEN EXPRESSED APPRECIATION AND SAID IT WOULD BE
HELPFUL TO HIM IN PREPARATION FOR HIS OWN APPEARANCE
AT SEVENTH SPECIAL SESSION SEPTEMBER 3.

8. ADDITIONAL DETAILS OF NEW AID STRATEGY WILL BE
REPORTED SEPARATELY.
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